



Maine Community College System

OFFICE OF THE PRESIDENT

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**TO: Senator Rotundo, Representative Gattine
Members of the Joint Standing Committee on Appropriations and Financial Affairs**

**Senator Rafferty, Representative Murphy
Members of the Joint Standing Committee on Education and Cultural Affairs**

FROM: David Daigler, President, Maine Community College System

RE: Statement in support of the Maine Community College System's portion of LD 209: An Act to Make Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2025

Part A - 10

DATE: January 22, 2025

Senator Rotundo, Senator Rafferty, Representative Gattine and Representative Murphy, members of the Joint Standing Committee on Appropriations and Financial Affairs and members of the Joint Standing Committee on Education and Cultural Affairs, thank you for inviting me to present on the portions of LD 209 that relate to the Maine Community College System (MCCS).

I am David Daigler, President of the Maine Community College System. With me today is our CFO, Richard Rosen and our Director of Government and Community Relations, Becky Smith.

The Governor has proposed two separate appropriations to MCCS in her supplemental budget request and made one reduction. The reduction is just a change in the Racino funds based on the latest revenue forecast. The first appropriation is \$209,609 to cover the system's April payment for General Fund supported positions impacted by the Paid Family Medical Leave premiums that began on January 1st. When the PFML legislation passed, the legislature allocated funds to cover the state share of the costs. However, no funds were allocated to Maine's public institutions of higher education. As you may know, most of our employees are covered by collective bargaining agreements. When Maine's PFML program went into effect most of those units had already agreed to their contracts. Although we assume that PFML employee share of premiums will become a negotiated item going forward, we do not feel it appropriate or feasible to reopen those agreements at this time. Second, as you well know, Maine's free college program has been wildly successful. Due to this success, the Governor has recommended \$7.3 million to assure we keep our collective promise to Maine's high school graduates in the classes of 2020-2024.

I'd like to provide a little bit of context for the supplemental request before you.

The Free College program was proposed by Governor Janet Mills in early 2022 and enacted by the 130th Legislature a few months later. When developing the program, MCCS reviewed many of the free college programs that existed at the time. Like most of the programs we looked at, Maine's Free College program covers 100% of community college tuition and fees for recent high school graduates, and those completing a GED during that time, after other federal and state grants such as Pell and Maine State Grant are applied.

When we were asked to anticipate the approximate number of high school students we would attract with this program, we looked at the other college promise programs across the country, looked at Maine's demographics, enrollment trends, and the college-going rate and felt we had a good prediction with 8,000 from the classes of 2020-23. The state funded the program with an initial \$20 million investment.

It turns out that the pent-up demand from Maine's high school students who wanted an education, but did not feel they could afford it - or needed just that little push that the word "free" gave them - far surpassed our estimates and we now know that more than 12,000 students took advantage of the program during the first two years.

Recognizing the popularity of this program, the Governor proposed and the 131st legislature approved a subsequent \$15 million investment to expand the program to students graduating from high school in 2024 and 2025.

Between fall 2022 and fall 2024, 17,151 Free College students^{li} have enrolled; that's far more than we anticipated.

Before the program was launched, MCCS enrolled about 2,200 direct-from-high-school students each fall. In Fall 2022, MCCS enrolled 2,481 direct-from-high-school graduates; in Fall 2023 we enrolled 3,733; and in Fall 2024 we enrolled 3,165 from the high school class of 2024, plus an additional 544 students who graduated from high school in June of 2023.

We expect this direct-from-high-school number will stabilize around 28% of a graduating class, or about 3,500 students going forward.

Some of the facts of which we are most proud are:

- Free College is attracting more men to enroll. In Maine and across the country, women attend college at a higher rate than their male counterparts: 58% women to 42% men. Our free college cohort is close to 50/50.
- The portion of students studying in technical and career programs has increased to 81% of Maine Free College students, up from 73% of degree-seekers before the program began.
- Free College students are as academically successful as other community college students. Fall-to-spring retention rates were higher for Maine Free College students (74 percent) than for non-Free College students (72 percent).
- The program has boosted overall enrollment, with a ripple effect of increasing the number of students going into the workforce and increasing the number of transfer students to the University of Maine System and elsewhere. Last fall, the University of Maine System reported a 31% increase in transfer students from Maine's community colleges. And this summer we

worked with the University System to further simplify and expand transfer options. We also worked with private colleges on a transfer guarantee.

- There are several hundred students each year who have decided to enroll a year or two after their high school graduation. Many did not think they “needed” college, but enroll later, perhaps after joining the workforce and realizing they do need the skills learned at a community college to succeed and advance.
- Requiring the FAFSA and making Free College a last-dollar program is sound fiscal management of state funds, with the added benefit of helping many students realize that financial challenges or poverty does not mean they can’t afford college. We have heard many students say they didn’t realize they would get the state and federal aid until they pursued Free College and filled out the FAFSA.
- There are 2,033 more students receiving Pell in Fall 2024 compared with Fall 2022, an increase of 42%. For the same period, the average Pell award increased by \$400 or 18%. Of the \$22.5 million in grant aid distributed to Free College students this past fall, 70% (\$15.8 million) was from state and federal grants, and 30% (\$6.7 million) was from Free College funding.

Importantly, the Maine Free College program aligns with Maine’s 10-year plan, and the Maine Community College System’s strategic vision. It strengthens the connection between the state’s high schools and the community colleges, and the link between the community colleges and the public universities. It motivates high school students to graduate from high school and stay in Maine, instead of leaving to pursue college or work elsewhere.

So, in short, the Maine Free College program is bringing students back to college, those students are enrolling in occupational programs, leveraging Federal funding, academically successful, building strength in our workforce, and often transferring to four-year institutions like UMaine.

However, the most important inspiring and important argument for funding Free College is the hope that I see in the faces of the Free College students. The stories I’ve heard include an SMCC student who was working multiple jobs and going to school part time – but now she’s able to work just one job and attend school full-time. Another student talked about his parents working multiple jobs just to make ends meet and said he never thought he could afford to go to college at all – until Free College came along. Or his classmate whose mom raised her alone while working around the clock just to put food on her table, never thinking she could afford to go to college.

The Free College promise we have collectively made as a state is transforming lives across Maine, helping entire families at a time and doing untold good for both the Free College students directly, and also for the communities they go on to serve in their work lives. Those students are the reason I’m sitting here today. They’ve more than earned my respect and support, and this funding is critical for their success.

We will be back before your committees during the biennial budget hearings to discuss the continuation of the program, and we will offer more information at that time.

Thank you. I’d be happy to answer any questions you may have.

iii **“Free College students” refers to all degree-seeking students who graduated in a qualifying year, whether or not they ultimately accessed the last-dollar Free College funds.*